

ATTACHMENT A

PALMETTO STATE UTILITY SERVICES, INC.

PROMISSORY NOTE DUE MAY 2023

\$12,000,000

May 23, 2018

FOR VALUE RECEIVED, PALMETTO STATE UTILITY SERVICES, INC., a South Carolina corporation ("**Company**"), unconditionally promises to pay to AMERICAN STATES UTILITY SERVICES, INC., a California corporation ("**Payee**"), on demand, in whole or in part as set forth in such demand, or, if no demand is made or demand is made only in part, on or before May 23, 2023 the lesser of (x) TWELVE MILLION DOLLARS (\$12,000,000) and (y) the unpaid principal amount of all Advances outstanding hereunder. Capitalized terms used herein without definition shall have the meaning given such terms under the Amended and Restated Credit Agreement dated as of June 3, 2005, as amended between American States Water Company, a California corporation and parent of Payee and Wells Fargo Bank, National Association, as Administrative Agent and Lead Arranger (the "Credit Agreement").

Company also promises to pay interest on the unpaid principal amount hereof, from the date hereof, until paid in full, at a fluctuating interest rate per annum that is at all times equal to the interest rate paid by Payee under its intercompany note with American States Water Company dated May 23, 2018 if the advance is funded by Payee under such intercompany note. Interest on such advances shall be payable in arrears at such time as interest is paid by Payee under its intercompany note with American States Water Company dated May 23, 2018.

Company also promises to pay interest on the unpaid principal amount hereof, from the date hereof, until paid in full, at a fluctuating interest rate per annum that is at all times equal to the one month LIBOR Rate on the last business of each month and at maturity as set forth on the website www.liborrateindex.com plus the Applicable Eurodollar Margin set forth in the Credit Agreement for such date for each advance not funded by Payee under Payee's intercompany note with American States Water Company dated May 23, 2018. Interest accrued on each such advance shall be due and payable monthly on the last business day of each month and at maturity.

Payee shall inform Company immediately prior to any advance requested by Company whether or not the advance will be funded by Payee under Payee's intercompany note dated May 23, 2018. Company shall also pay Payee's all other fees and costs and incurred by its under its intercompany note with American States Water Company incurred with respect to the amount Payee has agreed to lend Company hereunder.

All payments of principal and interest in respect of this Note shall be made by wire transfer to Payee's account number AC# 4911-432219 at Wells Fargo Bank, ABA #121000248 or at such other place as shall be designated by Payee from time to time. Each payment made hereunder shall be credited first to interest then due and the remainder of such payment shall be credited to interest, and interest shall thereupon cease to accrue upon the principal so credited.

Company shall have the right at any time and from time to time to prepay the principal of this Note in whole or in part, without premium or penalty. Any prepayment hereunder shall be accompanied by interest on the principal amount of the Note being prepaid to the date of prepayment. Any amount prepaid hereunder may be reborrowed.

No failure or delay on the part of Payee or any other holder of this Note to exercise any right, power or privilege under this Note and no course of dealing between Company and Payee shall impair such right, power or privilege or operate as a waiver of any default or an acquiescence therein, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that Payee would otherwise have. No notice to or demand on Company in any case shall entitle Company to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of Payee to any other or further action in any circumstances without notice or demand.


Company and any endorser of this Note hereby consent to renewals and extensions of time at or after the maturity hereof, without notice, and hereby waive diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to demand hereunder.

If any provision in or obligation under this Note shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of California, without regard to conflicts of laws principles.

IN WITNESS WHEREOF, Company has caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

PALMETTO STATE UTILITY SERVICES, INC.

By: 
 Title: Senior Vice President of Finance, Chief
 Financial Officer and Secretary

TRANSACTIONS ON NOTE

<u>Amount Borrowed This Date</u>	<u>Amount of Principal Paid This Date</u>	<u>Outstanding Principal Balance This Date</u>	<u>Notation Made By</u>
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PALMETTO STATE UTILITY SERVICES, INC.
SWING LINE PROMISSORY NOTE DUE MAY 2023

\$5,000,000

May 23, 2018

FOR VALUE RECEIVED, PALMETTO STATE UTILITY SERVICES, INC., a South Carolina corporation (the “**Company**”), unconditionally promises to pay to AMERICAN STATES UTILITY SERVICES, INC., a California corporation (“**Payee**”), on demand, in whole or in part as set forth in such demand, or, if no demand is made or demand is made only in part, on or before May 23, 2023 the lesser of (x) FIVE MILLION DOLLARS (\$5,000,000) and (y) the unpaid principal amount outstanding hereunder. Capitalized terms used herein without definition shall have the meaning given such terms under the Amended and Restated Credit Agreement dated as of June 3, 2005, as amended between American States Water Company, a California corporation and parent of Payee and Wells Fargo Bank, National Association, as Administrative Agent and Lead Arranger (the “**Credit Agreement**”).

Company also promises to pay interest on the unpaid principal amount hereof, from the date hereof, until paid in full, at a fluctuating interest rate per annum that is at all times equal to the interest rate paid by Payee under its intercompany note with American States Water Company dated May 23, 2018 if the advance is funded by Payee under such intercompany note. Interest on such advances shall be payable in arrears at such time as interest is paid by Payee under its intercompany note with American States Water Company dated May 23, 2018.

Company also promises to pay interest on the unpaid principal amount hereof, from the date hereof, until paid in full, at a fluctuating interest rate per annum that is at all times equal to the one month LIBOR Rate on the last business of each month and at maturity as set forth on the website www.liborrateindex.com plus the Applicable Eurodollar Margin set forth in the Credit Agreement for such date for each advance not funded by Payee under Payee’s intercompany note with American States Water Company dated May 23, 2018. Interest accrued on each such advance shall be due and payable monthly on the last business day of each month and at maturity.

All payments of principal and interest in respect of this Note shall be made by wire transfer to Payee’s account number AC #4911-432219 at Wells Fargo Bank, ABA #121000248 or at such other place as shall be designated by Payee from time to time. Each payment made hereunder shall be credited first to interest then due and the remainder of such payment shall be credited to principal, and interest shall thereupon cease to accrue upon the principal so credited.

Company shall have the right at any time and from time to time to prepay the principal of this Note in whole or in part, without premium or penalty. Any prepayment hereunder shall be accompanied by interest on the principal amount of the Note being prepaid to the date of prepayment. Any amount prepaid hereunder may be reborrowed.

By execution of this Note Company acknowledges that Payee is under no obligation to lend any funds to Company pursuant to the terms of this Note, but may do so in its sole discretion

to the extent that Company is unable to obtain any additional funds under the terms of any other Promissory Note that may be executed by the Company in favor of Payee and then only to the extent that Payee has sufficient funds available therefor.

No failure or delay on the part of Payee or any other holder of this Note to exercise any right, power or privilege under this Note and no course of dealing between Company and Payee shall impair such right, power or privilege or operate as a waiver of any default or an acquiescence therein, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that Payee would otherwise have. No notice to or demand on Company in any case shall entitle Company to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of Payee to any other or further action in any circumstances without notice or demand.

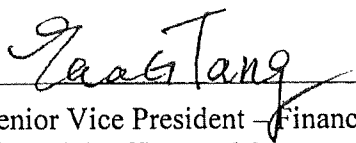
Company and any endorser of this Note hereby consent to renewals and extensions of time at or after the maturity hereof, without notice, and hereby waive diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to demand hereunder.

If any provision in or obligation under this Note shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

This Note shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of California, without regard to conflicts of laws principles.

IN WITNESS WHEREOF, Company has caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

PALMETTO STATE UTILITY SERVICES, INC.

By: 
 Title: Senior Vice President - Finance, Chief
 Financial Officer and Secretary

TRANSACTIONS ON SWING LINE PROMISSORY NOTE

<u>Amount Borrowed This Date</u>	<u>Amount of Principal Paid This Date</u>	<u>Outstanding Principal Balance This Date</u>	<u>Notation Made By</u>
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